

## Frequently Asked Questions (FAQ) on HOPWA

Throughout these responses, some common terms are designated as: PH for permanent housing; PSH as permanent supportive housing; TH as transitional housing; SPNS as Special Project of National Significance; LT as Long-term project in a non-formula area; TBRA as tenant-based rental assistance; STRMU as short-term rent, mortgage or utility payments; and BLI for Budget Line Item. (Edit of 4-18-06)

### 1. What areas are eligible for the Long-term projects?

Answer: States and local units of government are eligible to apply to assist persons residing in parts of the nation that are not eligible for HOPWA formula allocations. These areas include the 11 states of ID, MT, WY, ND, SD, NE, AK, WV, VT, NH, ME along with the Virgin Islands and other territories. Also, as a new provision of the 2006 competition, HUD will accept applications from governmental agencies in a formula area, defined as the balance of state area, if the applicant is not a grantee of formula funds (e.g. not the state government that receives these formula funds). A balance of state area is the part of the state that is outside of an eligible metropolitan statistical area. The balance of state areas include a significant amount of rural and small population communities, and applications from governmental agencies to assist these communities will be considered along with the projects in non-formula areas. These applicants are rated and ranked separately from applicants applying as SPNS. A map of the FY 2006 formula jurisdictions is posted on HUD's office of AIDS/HIV housing web page at: [www.hud.gov/offices/cpd/aidshousing](http://www.hud.gov/offices/cpd/aidshousing).

### 2. Currently, our city is a HOPWA formula recipient. Can a local non-profits also apply for competitive funds under HOPWA?

Answer: Yes. Non-profit organizations located in a HOPWA formula area can apply for a HOPWA competitive grant under the SPNS component (but not directly for the long-term component). A nonprofit can apply to serve as the grantee directly or seek to serve as a sponsor in an application from a state, local government or another non-profit for a SPNS grant. SPNS grants awarded this year are asked to undertake housing service delivery models with a focus on the program's performance goals of providing HOPWA clients with stable housing, reducing risks of homeless and improving access to care. A nonprofit could also seek funding through the formula grantee as a project sponsor, as 90% of program resources are distributed by formula.

### 3. Can a public housing agency (PHA) apply for these funds? Can a PHA serve as a project sponsor?

Answer: Yes, a PHA may serve as a project sponsor and provide housing support to eligible clients, for example in operating a rental assistance program, conducting housing inspections and assessing client needs. However, a PHA can only serve as the applicant/grantee in somewhat unique or very limited cases, by

statute. A public housing agency that is a functional part of a State or a unit of general local government may serve as the applicant/grantee on behalf of that unit of government. In cases where the PHA is an independent special purpose agency, which is generally the case, the PHA could not serve as the direct grant recipient as a grantee but may assist another qualified applicant/grantee as a project sponsor.

4. We have applied to IRS for a 501(c)(3) designation but we have not received it yet can we apply?

Answer: Yes, but you will need to demonstrate that you meet some specific qualifications. To be eligible as a nonprofit applicant or project sponsor, you must satisfy the regulation requirements of 24 CFR 574.3. Your application must establish both that you are a nonprofit organization (detailed below) and that your organizational documents include a purpose of significant activities related to providing services for housing to persons with HIV/AIDS.

We will accept as evidence of your purpose, a certified copy of the organization's articles of incorporation and by-laws which includes the organization's purposes to provide significant services or housing to persons with HIV/AIDS. If you receive the IRS designation and file a copy with your application by the time of the due date, the designation will be acceptable evidence for eligibility. However, the IRS letter is not the only evidence of nonprofit status that we accept.

In the alternative to the IRS 501(c)(3) designation ruling, we will accept:

- a. An IRS 501(c)(4), (6), (7), (9), or (19) designation ruling.
- b. A copy of your most recent IRS form 1990 or IRS form 990-EZ.
- c. A ruling from the Treasury Department of the Commonwealth of Puerto Rico granting income tax exemption under section 101 of the Income Tax Act of 1954 as amended
- d. Documentation showing that the applicant is a certified United Way agency
- e. A certification by the appropriate official of the jurisdiction under whose laws the non profit was organized that your organization was so organized and is in good standing
- f. A certification from a designated official of the organization that no part of the net earnings of the organization inures to the benefit of any member, founder, contributor, or individual; that the organization has a voluntary board; and that the organization practices nondiscrimination in the provision of assistance
- g. An opinion letter from a CPA that the nonprofit has a functioning accounting system that provides for each of these (the letter must mention all of them):
  1. Accurate, current and complete disclosure of the financial results of each federally funded project
  2. Records that identify adequately the source and application of funds for federally funded activities

3. Effective control over and accountability for all funds, property and other assets
4. Comparison of outlays with budget amounts
5. Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the US Treasury and the use of funds for program purposes
6. Written procedures for the determining the reasonableness, allocability and allowability of costs;
7. Accounting records including cost accounting records that are supported by source documentation.

If you do not document your eligibility as a nonprofit, you are not eligible to receive funds and serve as the grantee or as a project sponsor. However, you may collaborate with eligible nonprofit organizations or with a government agency that applies for the grant and assist them, for example, in planning for the proposed activities, identifying needs in your community and identifying clients who will be assisted. In addition, you may do work under competitively awarded contract with a grantee for services funded by a grant.

**5. How do you define “Special Projects of National Significance?”**

Answer: The NOFA provides a definition on this. Generally a Special Project of National significance would be an exemplary project, which provides a clear and organized housing service delivery model. These housing service delivery models can offer unique and innovative methods to carrying out support for clients, but such activities must show useful benefits to address the program mission. Generally this is providing permanent housing support or related placement activities and supportive services for homeless and low-income living with HIV/AIDS and their families. As a model effort, the project should also have the potential to be reproduced in other similar localities. A short description of SPNS grants from prior competitions can be found at HUD’s Office of HIV/AIDS Housing Web Page at [www.hud.gov/offices/cpd/aidshousing](http://www.hud.gov/offices/cpd/aidshousing).

**6. Can an agency submit a Continuum of Care homeless assistance application and a HOPWA proposal, which will be linked but not identical?**

Answer: Yes, but should not duplicate funding. You can apply for funding under both competitions and other Federal funds that may be available. A HOPWA grant and a Continuum of Care Homeless Assistance grant may serve the same group of clients but with distinct activities that may complement but not duplicate the other HUD-funded activities. If the activities are duplicated in the two applications, please indicate this. HUD will ensure that any duplicated activities will only be funded from one source, consistent with program requirements. However, if the two applications depend on each other, they must still compete under the separate competitions and selection in one does not guarantee selection in the other competition.

**7. What does HUD mean by performance measures and client outcomes?**

Answer: You must use HUD's revised (1/2006) Annual Performance Review form (form HUD-40110-C) and the logic model (form HUD-96010), which allow you to report on your accomplishments in using HOPWA funds during the project's operating year. As the assistance is likely to expand the housing support that benefit low-income persons with HIV/AIDS and their families, the report will help measure your results in using funds for housing outputs (i.e. numbers of households receiving a type of housing support) and the related client outcomes—in helping clients access and maintain stable housing arrangements that improve their access to care, or temporary arrangements that address risks of homelessness and allow for efforts to plan for more permanent arrangements. To measure your performance, after each year of operation, the selected grantees will be asked to report on the number of clients remaining in transitional and permanent housing units and those receiving STRMU payments, in connection with related supportive services. This will be compared to the proposed plan shown in your HOPWA application and the related logic model. These measures will demonstrate that your proposed activities resulted in; (a) an increase in the amount of housing assistance and related supportive services to low-income persons living with HIV/AIDS and their families; (b) enabled clients to achieve housing stability and reduce risks of homelessness; and (c) some measures focus on showing how clients improved their access to health-care and other mainstream resources.

You may also establish locally-defined or project specific goals and objectives for your proposal that may be unique and best reflect your objectives and the special purposes of your grant. They should be specific, achievable and measured within set time periods. Your individual goals and objectives should result in possible findings on the successes and lessons learned in undertaking your activities that would be shared with other communities.

**8. What are some examples of how to report on the performance measures and client outcomes?**

Here are two examples of a TH and PSH effort:

A. Transitional. Over the operating year for a grant, a transitional housing facility has been providing 5 units of housing with HOPWA funds. In the course of the year, 20 persons received support in this facility (average about 3 months each). Residents received drug and/or alcohol abuse treatment and counseling by qualified staff while in residence. During that year, all residents also were helped in developing and following a housing plan to find permanent housing and continue treatment when needed after leaving the facility. The program helped clients in relocating from the facility, with placement to other known housing situations. These involved making arrangements to qualify the resident for

another housing subsidy program for 10 households (including 8 that now receive HOPWA rental assistance and 2 who qualified for a housing choice voucher/Section 8 benefit). The plan will rely on private resources for 2 others, as they now have qualified for other benefits. Three others are continuing to reside in the TH facility into the next reporting period. The 5 others disconnected from the assistance, for various reasons such as refusal to follow treatment. The total of 20 single-member households who received this transitional support would have a annual reporting result of 12 of 20 in stable arrangements, 3 in temporary arrangements and 5 in unstable—or 60% stable and 15% temporary (reduced risks of homelessness). In addition to reporting this result, the program could consider how these results were achieved, review the reasons 5 disconnected (25% of the clients), develop plans to alter the service package, if so needed, to better engage clients on the type of needs demonstrated, and consider how to continue support as outpatient counseling etc, if needed. The 8 who moved into the other HOPWA effort would also be reported in your APR under that component (see B. below), if funded under your grant (or by the area's formula grantee or other source in their reports if you are not operating that effort under your grant).

B. Permanent. Over the last 12 months, a nonprofit organization distributed tenant-based rental assistance vouchers to 15 households within your three-county metropolitan area. The “vouchers” will provide for on-going housing assistance. At intake, the program staff advised the clients on tenant-landlord issues, advised on available units and arranged for housing quality standard inspections of the apartments, when selected. A case manager, under the Ryan White CARE Act program, assessed client service needs, and helped them connect to a health-care provider, apply for benefits and understand the range of available services. An individual housing plan was drafted and three of these families who were unable to find and secure the housing unit within 30 days. For the other 12, additional efforts were made and an appropriate apartment was located and is now leased. At the end of that year, all 15 are known to remain in this affordable housing program and are expected to continue. In this case, clients show 100 percent have stable arrangements (based on the case manager reasonable expectations and the related program plans).

9. Can a HOPWA program be designated to assist homeless or other high need clients, such as persons with multiple-diagnoses?

Answer: Yes. A program may respond to the greater or specialized needs of eligible persons, for example, you can look at homelessness as a greater need and try to serve those in the greatest need as a priority in selecting participants. Program features might also be appropriate for certain clients, such as assistance to address the service needs of persons with multiple diagnoses due to serious mental illness or chronic substance use issues. Programs are required to comply with nondiscrimination and equal opportunity requirements as required by law and provided under the certifications.

- 10.** As a non-profit organization applying for funds, must we obtain a certification that the application is consistent with our city or state's consolidated plan?

Answer: Yes. The certification of consistency with the area consolidated plan is required for each of the localities in which the project will be sited. The HOPWA program operates under this Consolidated Plan process as part of a partnership with communities in addressing area needs through the use of federal and other resources. The certification from the appropriate local or state government(s) is required for all applications based on the service area(s) of your housing program, including the activities that are carried out by a nonprofit serving as a project sponsor. These forms need to be obtained and required to be available prior to the signing of any grant agreement, if your project is awarded funds.

- 11.** As an applicant we plan to carry out activities directly. Can we qualify for both the grantee's 3 % as well as the sponsor's 7% administrative costs?

Answer: No. A grantee is limited by statute to using no more than three percent of the grant amount for administering the grant, such as providing general management, oversight, coordination, evaluation and reporting on activities. Please note that costs of staff that are carrying out the program activities may be included in those program activity costs, including prorating costs between categories as may be appropriate. A sponsor is eligible to use up to seven percent of the amount that they receive for the sponsor's administrative costs.

- 12.** If we need to request HOPWA funds primarily for supportive services, will that impact our application's competitiveness?

Answer: Yes, if your request is mostly for service costs, it will be considered ineligible. Under this NOFA no more than 35 % of the proposed budget can be used for supportive services and your application must show that housing assistance is the main focus of your program.

- 13.** Is it permissible for applicants to request additional funds to collect data on project outcomes under a grant?

Answer: No. The data collection costs are part of the grants allowable administrative costs, as these activities are inherently part of that management function and annual reporting to HUD. No extra HOPWA funds are being made available for independent evaluations, although projects could arrange for other leveraged resources for these purposes.

- 14.** Is it permissible for applicants to request funds for "other" activities, including innovative proposals under a grants?

Answer: Yes, it is possible if of some clear housing benefit. HUD notes that the range of HOPWA eligible activities is extensive. However, an applicant may

describe another activity (not shown at 24 CFR 574.300(b)(1)-(10), and could receive HUD approval for that activity in this competition. The applicant should indicate the amount of funds requested for this “other” activity and provide a clear description of the activity. Your proposal should seek to justify this alternative activity in addressing housing needs by describing the project impact and the identified performance output and client outcome measures for the activity. In prior competitions, HUD notes that two types of efforts were approved, including shallow rental subsidy and homeownership efforts that were part of more comprehensive community housing efforts.

**15. How can I get full credit for the other resources that will be a part of this project?**

To receive the highest leveraging points (for 8 points), you must provide information on the commitment of other resources that you have in hand at the time of your application to HUD and the amount is equal or more than the amount of HOPWA funds you are requesting. You will be awarded points based on the content of a list or chart for these secured commitments. The list or chart must show the name and address of the organizations providing the commitment (note if the organization will serve as a project sponsor); the type of commitment (applicant or third party cash resources, non-cash resources, volunteer time, contribution of a building, contribution of lease hold interest); the dollar value of the commitment; the date of the commitment letter or other document; the source of funding, such as federal, state, local, private or in-kind contributions; and the organizations authorized representative’s name, title, and contact information. In addition, (for 2 other points), the highest rated plans will show how these projects will decrease dependency on federal funding at the end of the operating period and rely more on state, local, and private funding to continue support for beneficiaries. Please remember that all commitments must be secured at the time of application and commitment letters from each organization must be kept on file and produced upon a request from HUD. If your application is selected, the amount of approved leveraging will be part of your grant agreement HUD will review your annual reports to show that these commitments were used in operating the project.

**16. Can I apply for a renewal of my expiring grant under this year’s SuperNOFA?**

Answer: You would not need to compete for funds if you are now successfully operating a HOPWA competitive grant that provides for permanent supportive housing (PSH), and the grant is now expiring. Consistent with the statutory requirement on this matter, the renewal process for an expiring PSH grant will be under a separate notice, as referenced in this 2006 NOFA. This separate notice for PSH projects will be issued within the next few weeks and should help give priority treatment to continue support of these efforts and streamline procedural requirements. However, if you operate another type of project (e.g. emergency or transitional housing), or if you want to add a significant new component, add new

housing sites or redesign a project, you could seek additional funds under this competition.

- 17.** For a 2006 project, I understand the HOPWA program won't pay for medications. I wanted to check if funds for drug treatment are available? If funds are requested for operating a current transitional service center, could we also ask for funds for leasing or rehab for a new site?

Answer: Your project could request funds for a type of supportive service, which involves substance abuse treatment and counseling. However, the costs could not include cost for any medications, which are not eligible under this competition.

The second question may depend on the nature of the rest of your application. If these are components of a larger housing effort, than some service costs (up to 35%) would be eligible. This could include costs needed to operate or lease the related service center that will be used to support the residents of a housing program. However, no funds are being made available to develop a services-only facility, such as rehab costs.

- 18.** Do we need to provide leveraging letters?

Answer: No. Under this 2006 notice, HUD is requiring that you list or provide a chart of your leveraged commitments that you have in hand. You are not being asked to send a copy as part of your application. However, you are required to keep your leveraging letters on file and provide these if requested by the Department, for example, during a monitoring review of your project.

- 19.** Does the NOFA require an oversight agency and what kind of requirements would be considered administrative?

Answer: The grant applicant/grantee is required to manage this grant and provide oversight of the activities of any sponsor, consistent with standard grant agreement terms, conditions established in the NOFA, and under standard grants management requirements used for federal grants (see OMB circulars).. The HOPWA NOFA details some ongoing administrative requirements and project development benchmarks, including the use of annual progress reports for operating HOPWA grants and annual updating of the Logic Model included in your application. The oversight and coordination of activities should be addressed in your project plans. The standard HOPWA Annual Progress Report is updated and training standard webcasts are available on HUD's web page under the webcast archive section. HUD also has state and area offices that provide HUD's management oversight of these grants. HUD conducts risk assessments and may undertake on-going site monitoring reviews of these grants.



- 20.** What is the role of the grantee vs. project sponsor in planning collaborations?  
What is the role of each and how should a grantee vs. project sponsor be defined?

Answer: On the role of the grantee, the program regulations at 24 CFR 574 define *grantee* as the legal entity which contracts (signs the grant agreement) with HUD to receive funds. The grantee must ensure that the project will be carried out under the terms of this agreement, in a timely manner. The grantee provides administrative oversight of staff and guides the use of resources. The grantee must demonstrate that activities are undertaken consistent with federal requirements, as applicable. For HOPWA competitive grants, the grantee is the organization that applies for these funds, e.g. signs the SF-424 application form, via the electronic (e-grant) application submission.

The role of the project sponsor is generally to carry out specific program activities (e.g. housing assistance for clients, counseling, case management) and the summary should identify any partners. The HOPWA budget form shows how you divided tasks by budget line item, along with the application narratives that will describe the activities to be undertaken by these partners in your project, their capacity to operate efforts and other information on your proposal.

As you organize your application and develop a plan to work with others in your community, you can consider available staff skills and knowledge and what is needed for developing, operating and evaluating the project—and seek other support where needed. You can establish agreements with other organization to effectively conduct the new activities. A grantee should also have a plan for providing grants management oversight for this project. The selection criteria address coordination and other elements to be assessed in this review.

For more information on the HOPWA program visit the program website:

[www.hud.gov/offices/cpd/aidshousing.index.cfm](http://www.hud.gov/offices/cpd/aidshousing.index.cfm)

If you have additional questions, please contact:

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